

March 10, 2016

L E G I S L A T I V E A N A L Y S T ' S O F F I C E

LAO 
75
YEARS OF
SERVICE

Trial Court Funding

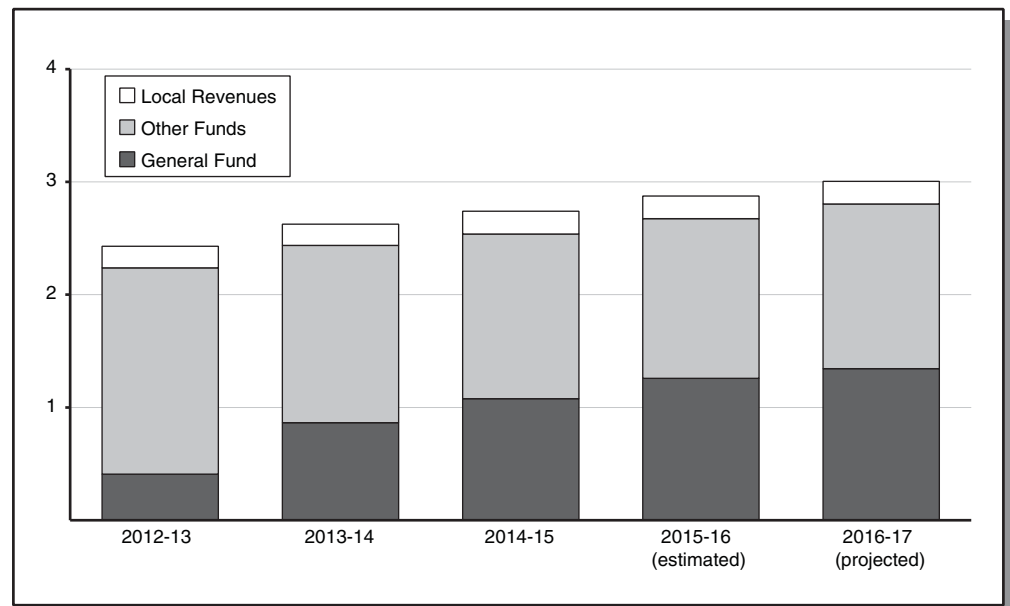
Presented to:
Senate Budget and Fiscal Review Subcommittee
No. 5 on Corrections, Public Safety, and the
Judiciary
Hon. Loni Hancock, Chair





Total Trial Court Funding Has Increased Steadily Since 2012-13

(In Billions)



- ✓ The Governor’s 2016-17 budget proposes \$3.8 billion in total funding for the judicial branch. Of this amount, about \$1.7 billion (or 45 percent) is from the General Fund. Funding for trial court operations is the single largest component of the judicial branch budget, accounting for around four-fifths of total spending.
- ✓ As shown in the above figure, total funding for the trial courts has steadily increased since 2012-13—the year in which ongoing General Fund reductions to trial court operations peaked at \$724 million.
- ✓ Funding for the trial courts is proposed to reach \$3 billion in 2016-17. Of this amount, about \$1.3 billion (or 45 percent) is from the General Fund. This is an increase of \$130 million (or 5 percent) from the 2015-16 level.



Recent Augmentations for Trial Courts



\$472 Million in Base Augmentations and Fund Transfers

- Since 2013-14, the state has provided a total of \$237 million in General Fund base augmentations for trial court operations—\$60 million in 2013-14, \$86 million in 2014-15, and \$91 million in 2015-16. These augmentations reduced the ongoing reductions to \$486 million through 2015-16.
- Additionally, about \$235 million in various actions were taken to help the trial courts accommodate budget reductions on an ongoing basis, such as ongoing transfers from various judicial branch special funds. These actions further reduced the amount of ongoing reductions that need to be addressed by trial courts



\$192 Million in Other General Fund Augmentations

- The state has provided \$82 million for increased trial court health benefits and retirement costs—\$43 million in 2014-15 and \$39 million in 2015-16.
- The state has also provided \$66 million to backfill declines in the amount of fine and fee revenue collected to support trial court operations—\$31 million in 2014-15 and \$35 million in 2015-16.
- In 2015-16, the state provided \$44 million to address increased workload related to the implementation of Proposition 47, to reduce dependency counsel caseload, and to expand a telecommunications network infrastructure program.



\$20 Million Base Augmentation Proposed for 2016-17



Governor's Proposal

- The Governor's budget for 2016-17 proposes a \$20 million (or 1 percent) General Fund base augmentation for trial court operations.
- Similar to prior years, trial courts would have full discretion in the use of these funds.



Recommend Rejecting the Governor's Proposal

- ***Insufficient Justification for Augmentation.*** The administration has not provided sufficient information to justify why this augmentation is needed. For example, it is unclear what specific needs are not currently met. Thus, it is difficult for the Legislature to determine whether the proposed increase is too much or too little for meeting the identified needs that it believes merits funding. Moreover, it is unknown what needs were met by most of the \$237 million that has been provided since 2013-14, which makes it even more difficult to determine what unmet needs the courts continue to have and how these needs align with legislative priorities.
- ***Proposed Budget Already Accounts for Increased Workload and Costs.*** The Governor's budget includes a total of \$72 million to support identified workload changes, increased costs, and the expansion of specific services. This includes \$16 million in General Fund support for increased trial court health benefit and retirement costs as well as \$9 million in additional General Fund support to backfill continued declines in fine and fee revenue supporting trial court operations. Given these proposed increases, it is even less clear why the proposed \$20 million in resources is needed.